



Weekly Financial Letter

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Financial Market weekly outlook from 5 to 9 May

Dear Members,

Last week the markets traded positively and commodities remained in the weak zone. Currencies traded directionless and bond prices moved higher. I just finished meditating and after some thought I decided to put it here.

The thinking process is the most important thing and we always recommend that one should spend some time on a regular basis thinking about the market. When you're spending this time, you should be alone. One must take positive and negative points into account when you think about the market or anything else. If you are thinking about the market, then you must re-examine the position you're holding; what will be the worst case scenario? What are the technical saying; where is the economy going; what are fundamentals indicating and what is the wave of nature or astro cycle indicating?

I am just here to give you a vague picture of the coming time. The planning and strategy depends on you and you can build a clear strategy only by having clear thoughts. It is important at this stage to put your focus in the right direction because this kind of money making opportunity won't come back for decades. It is important to focus on the stock market and indexes at this stage. Other markets like commodities and currencies will remain directionless but you can still take small positions if you want. Our astro cycle will advise you correctly on these markets and their overall trend.

Once again as I have been mentioning for the last two years that the market will create history in the coming time so you should plan well as S&P is ready for 3200 to 5000. Our target of S&P reaching 3200 is very clear but 5000 is also a very easily achievable target if the market enters a euphoria cycle.

After today's meditations, one thing has become very clear and that is that the market will only spend a few more weeks here before it makes a stronger move ahead. Last week for three days in a row S&P closed above 1868 which is a clear sign that S&P is ready to leave this trading range pattern behind which it has been going on since the last six months from **1772 to 1880**.



At this stage in the worst case scenario the market can move around the current range until **20 May**, which we mentioned last week because Mars has to come back into the straight directions to push this market higher.

Commodities are not doing anything major except for Grains which moved up in the last two months and coffee which jumped 100%. The rest of the key frontline commodities (gold and oil) are struggling as predicted. Oil is still on the higher side due to a positive trend in the economy but gold is losing its charm. India and China are still buying gold but this buying is not able to push prices higher and this is because of supply.

Many traders who trade currencies are getting fractured because for the last few months the trading pattern in currencies has been very sluggish without any major move. One thing we would like to put here is that our astro indicators are showing very negative indications for Euro and Franc. Compared to Euro, Gold will still survive. Gold will trade far better than oil and currencies in the coming time for longer term. We are all aware that for the shorter term our astro indications are showing the most negative signs for metals after this week.

On international front Ukraine and Russia's issue is keep bothering investors, uncertain situations will continue until 27 May 2014, and situations will calm down once Mars start moving in straight directions. Whatever happening between Russia and Ukraine won't impact negatively on USA in any area but surely at this stage looks like that huge negative impact on Russia's because economy and growth can fall sharply with sanctions. Also if Russia cut gas supply to Europe can impact negatively on Europe and European economy. Merkel said on Friday that they want become energy self-sufficient in next 10 to 15 years, but how? she never said. Two year back she decided to close all nuclear power plant and now she said that they want to become energy self-sufficient? We stated in 2012 that Germany made worst decisions announcing shutting down nuclear power plants after Fukushima accident and they have to reverse this decisions in coming time.

Wind and solar can play a small part but Nuclear energy is only answer for world to fulfill growing demand of energy. Watch Uranium stocks in 2015, I won't surprise at all if they rises in many folds.

Final note: Until 20 May, don't make any short term bets, so its better to put bets on the medium term (two months to one year). After 20 May you can start putting shorter term bets. We want this Mars to move directions. Another two weeks are pending, and time is running fast since the last few years, everyone I know keep telling me one thing, Mahendra, time is going very fast. Yes, time is going very fast and we may have just three more years to make money because after that I don't know what will happen. Only one thing I know that it will be very difficult for people to make money from Mid-2017.



If gold starts moving down from next week then the fall will be non-stop, gold could easily reach \$1155 to \$980.

(We are sure that no strategy can provide this kind of clear answer on this planet, so let's see if our predictions of fall comes true. Let's see how much value or truth the astro cycle has).

Here is Monday's range: **(July 2014 contract)**:

GOLD: \$1308.90 to \$1288.90

SILVER: \$19.79 TO \$19.39

COPPER: \$309.00 TO \$304.20

PALLADIUM: \$819.00 TO \$806.00

PLATINUM: \$1451.00 TO \$1425.20

INDEXES



Astro cycles provided clear indications for metals so we were able to write it clearly in the above metal sections. Last week we mentioned that Indexes or stocks market can remain in a confused direction until 20 May 2014 because Mars is playing the role of a obstacle for the markets to move sharply higher from here onwards. It is always very difficult for short term traders, whenever the markets trade

sideways or in a mixed trend and this is what is happening currently.

Since last six week one story has been going around the market and that is the fall in high flying or momentum stocks. Many see more corrections because many experts have joined the bear cartel to short these names. Look at the earnings of **PCYC**, even after great earnings the stocks have fallen sharply. Where you will get these kinds of earnings. Most momentum or high flying companies have come out with positive earnings reports but stock prices have fallen because either everyone wants to get out on positive earnings or bear cartels push these stocks lower.

One thing we would like to clarify here is that the bearish trend won't remain for much longer, maximum two weeks are pending so one should start buying calls in quality stocks and Indexes because the markets are ready to start moving forward.



This week two of our favorite stocks “**HZNP** and **REGN**” will announce their earnings and we are sure they will be fantastic but not sure how these stocks will perform. If you ask us what astro indications says? Our answer will be would be that both these stocks should move between 5 to 15% or even more.

Rest of the world’s markets are trading mixed as predicted. Most emerging markets are near to their all-time high, and it looks like they would still like to move higher but short term astro cycles are not supporting this market aggressively for the upside so they are holding value around the higher sides.

European, Asian, Middle-east and South American markets are also trading in a sideways direction nearer to high so watch the trend closely. We still recommend holding buying positions in the market and in our recommended favorite sectors.

In USA last week utilities started giving up gains, utilities are considered a safe pay under volatility so it looks like investors are taking hedging bets away from utility stocks.

We strongly recommend holding positions in our favorite stocks. Watch the trend of S&P closely because it already closed above 1868 for three days in a row and if it is able to hold positions on Monday and Tuesday it will confirm that an upside move is on the way from Wednesday in all major markets and on Thursday and Friday USA markets can close around an all-time high.

We are keeping small doubts due to Mars positions, so one should bet on the market for the month of June July and December. One should keep adding call options in most of the Indexes.

At this stage since the last two years our daily ranges are fulfilling on a daily basis 8 days out of 10, so trading in and out on both sides is highly recommended.

This week astro cycles are showing very tight indications so on the lower side we don’t see S&P going below 1862 and on the higher side we keep open as our longer term target is 3200, yes for the shorter term it has to close above 1884 to push it up to 1932. Though short seller are very active but we still recommend buying positions in Indexes rather than stocks. **Apple** and **Microsoft** have done amazingly well, and now **Intel, Cisco, AMD and Yahoo** will perform very well. Must have positions in these stocks.

On Monday and Tuesday the markets will trade on both sides and we may see some profit booking coming. From Wednesday onwards the markets will start moving higher so plan your trading accordingly.

Watch earning of **HZNP** and **REGN**, I wanted to recommend buying both these stocks on earning but on good earning all major biotech stocks are falling so take longer term bet by buying call options in both of these stocks. Read our stocks report on short term stocks strategy.



Here is Mondays' ranges: **June contracts**)

AUSTRALIAN (Cash) – 5457 to 5411

NIKKEI (June) – 14519 TO 14303

NIFTY S&P (Spot) – 6748 to 6648

SINGAPORE (cash) – 3275 TO 3242

HONG KONG (cash) – 22511 to 22103

CAC – 4411 TO 4353

DAX – 9608 TO 9510

DEX EURO STOXX – 3141 - 3108

FTSE – 6780 TO 6728

FTSE/JSE – 44150 to 43821

S&P – 1882.00 TO 1865.00

NASDAQ – 3600.50 TO 3560.25

RUSSELL – 1135.90 TO 1114.20

DOW – 16554 TO 16373

TREASURY BOND



Everyone started jumping in thirty year bond as a hedging trade and also due to a positive technical chart. Our strategy remains the same, add more selling from Monday to Wednesday as sudden drop in prices will come by the end of May. We bought some put options of September, strike price of 128 and you can take the same trade if you wish.



From Monday to Wednesday we see a mixed trend in Thirty year bond but from late Wednesday prices will reverse on the negative side and weakness will continue on Thursday and Friday.

Selling is recommended around 136 to 137, with short term target of 133.

Monday trading range (June contract):

TREASURY BOND – 137-00 TO 135.16

SOFT COMMODITIES



Last week soft commodities traded mixed to a bit negative but still coffee is holding above \$200 due to the cold season coming closer. We are not recommending any short in terms of future contract in coffee but surely one can take some put options in Coffee for the short term. Medium, and longer term trend in coffee trend will remain positive.

During this week we see a mixed trend in soft commodities without any major moves but surely one can start buying sugar at this stage. One can start buying sugar around \$17.00 as a positive trend can take sugar prices toward \$19.88.

In coffee we don't see any big fall or it won't be below \$183 but the higher side is unlimited so take some buying calls in coffee at this stage.

Avoid cotton and cocoa and orange juice.

Monday trading range: (July 2014 Contract)



COFFEE: \$206.90 TO \$199.05

COTTON: \$94.80 TO \$93.60

SUGAR: \$17.59 TO \$17.20

COCOA: 2935 TO 2893



GRAINS



Last week soy prices fell sharply on Thursday, and many were surprised with this fall. On Tuesday grains data will be release and volatility is bound to come so take put option positions in soy and meal on any rise.

At this stage we are not recommending buying any positions in wheat, soy and meal. Yes one should keep acquiring corn if it comes around \$475.

From Wednesday onwards a weaker trend in grains will start so sell grains after grains data gets release.

On Thursday and Friday more weakness will come. Those who are holding or buying PUT options positions in soy should hold and add more if it moves above \$1500.

On Monday we will witness both sides moves in grains.

Monday's trading range **July 2014 contracts**

CORN: \$504.50 TO \$491.00

WHEAT: \$725.00 TO \$705.00

SOY: \$1484.00 TO \$1453.00

SOY MEAL: \$485.90 TO \$472.00

SOY OIL: \$41.90 TO \$41.05

ENERGY



Last week oil traded mixed without any clear directions. We still see oil holding \$99.18 so watch this level closely, and on the higher side oil will keep struggling to close above \$104.55.

This week our astro indications are showing positive indications so plan to buy oil and gas around the lower side predicted range on Monday. From Tuesday to

Thursday positive trend shall continue in oil and gas.



Late Thursday or Friday one should book profit in oil but one can hold positions in gas. Gas prices will outperform oil prices.

Heating oil and RB Gas will follow oils trend.

Energy stocks will move higher during this week and this will help S&P's trend. In Short Monday and Tuesday positive trend in oil and other energy products, on Wednesday we see a mixed trend or both side move. On Thursday they should remain positive but one should book profit.

On the down side oil should close below \$99.10 other side it can easily move towards \$94.68. On the higher side oil will struggle to close above \$104.55.

If oil fails to trade positively during this week during the most positive astro combinations then expect oil to fall towards \$92.55 so watch closely. Put stop-loss at \$99.10 if you are buying oil.

Monday's trading range (All June 2014 contracts):

OIL: \$100.47 to \$99.30

NATURAL GAS: \$4.74 to \$4.61

HEATING OIL: \$2.9410 TO \$2.8980

RB GAS: \$2.9750 TO \$2.9250

CURRENCIES



Since the last six months USD has been trading sideways, we are still strongly recommending you to keep acquiring positions in USD against Euro, Australian dollar and Swiss Franc. This week Australian dollar, euro, and Swiss Franc may try to hold value but they will fail to do so from Thursday.

Many are asking us when would be the right time to sell euro positions, and **our answer is from 21 June if someone would like to play it very safe, however we are still holding our predictions of buying USD around 79.50. Also buy Euro put options at current levels.**

As mentioned in the above section, it is very difficult for any market to trade when the trading pattern is sideways. Currently the currency market is doing nothing as all major currencies are



trading sideways since the last two months but astro indications are showing some volatility coming back in the currency market from this week.

On Monday we see USD start gaining some value from lower levels but the higher sides will remain minimum. The same kind of trend will continue on Tuesday. On Wednesday USD will gain but on Thursday and Friday again profit booking will come. You can see that our astro indicators are not giving any clear signals of buying as no one side directions is indicated but surely selling Euro around 1.39, selling Swiss franc around 1.14 and buying USD around 79.45 are great trades.

Emerging markets will keep gaining some value so the higher side will remain limited. Let Jupiter change its house from Gemini to Cancer and we will see a huge move in USD starting. We won't be surprised at all if Euro moved back to 1.17 and USD back to 89.00 level by the end of this year. Swiss franc and Australian dollar will also follow euro.

Weaker trend in commodities is starting from next week which will put huge pressure on Australian dollar so sell Australian dollar this week end.

Monday's trading range: (June contract)

DOLLAR INDEX – 79.79 to 79.47

AUSTRALIAN DOLLAR – 0.9281 to 0.9184

CANADIAN DOLLAR – 0.9120 to 0.9081

BRITISH POUND – 1.6919 to 1.6808

EURO – 1.3919 to 1.3823

JAPANESE YEN – 0.9820 to 0.9749

SWISS FRANC – 1.1439 to 1.1360

RUPPEE – 60.37 to 60.01 (Spot)

RAND – 10.51 to 10.35 (Spot)

Thanks & God Bless

Mahendra Sharma

4 May 2014, 3.00 PM Santa Barbara



Make wave of nature/astronomical cycle an integral part of your trading/Investment strategies!

www.mahendraprophecy.com

Reading daily range: When we predict a **weaker trend** it means prices can break lower side and they can trade below predicted lows. (You can cover short but don't buy extra at lower levels until our indicators give buy signal).

When we predict a **positive trend**, means daily price can break upside and they can trade higher than predicted price (you can book profit but don't short that market).

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